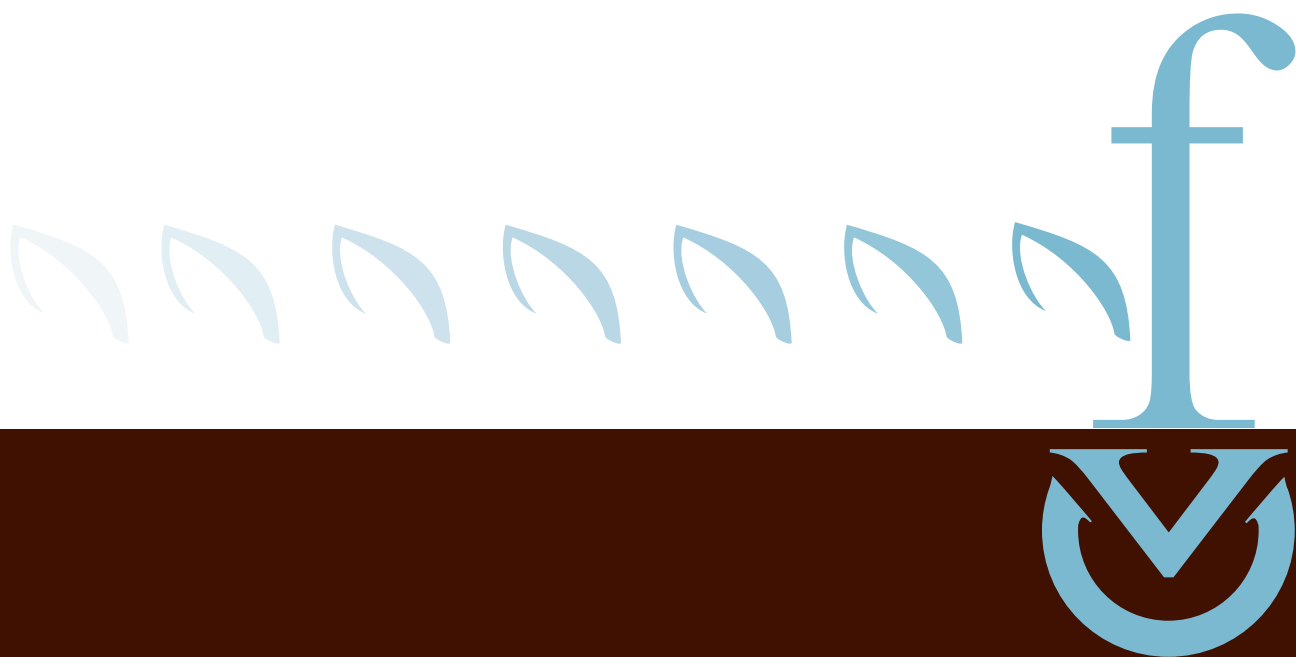


ULTS

COUNCIL ON VIRGINIA'S FUTURE



2009 – 2010

Council on Virginia's Future

Current Membership

The Honorable Robert F. McDonnell, Chair
Governor
Commonwealth of Virginia

Mr. John O. (Dubby) Wynne, Vice Chair
President & CEO (retired)
Landmark Communications

General Assembly Members

The Honorable Ward L. Armstrong
Minority Leader
Virginia House of Delegates

The Honorable Charles J. Colgan
President pro tempore
Chairman, Finance Committee
Senate of Virginia

The Honorable H. Morgan Griffith
Majority Leader
Virginia House of Delegates

The Honorable William J. Howell
Speaker of the House
Virginia House of Delegates

The Honorable Yvonne B. Miller
Member, Finance Committee
Senate of Virginia

The Honorable Thomas K. Norment, Jr.
Minority Leader
Senate of Virginia

The Honorable Lacey E. Putney
Chair, Appropriations Committee
Virginia House of Delegates

The Honorable Richard L. Saslaw
Majority Leader
Senate of Virginia

Citizen & Business Community Members

The Honorable William D. Euille
Mayor
City of Alexandria

Mr. W. Heywood Fralin
President & CEO
Medical Facilities of America, Inc.

Mr. James F. McGuirk, II
President
AKLM Consulting, Inc.

Harris N. Miller
President & CEO
Career College Association

Dr. Edward G. Murphy
President & CEO
Carilion Clinic

The Honorable Michael J. Schewel
Partner
McGuireWoods LLP

Cabinet Member

The Honorable Richard D. Brown
Secretary of Finance

■ Council on Virginia's Future: Background ■

The Council on Virginia's Future – chaired by the Governor and comprised of state, business, and community leaders – was established by the 2003 Session of the General Assembly to advise Virginia's leaders on the development and implementation of a roadmap for Virginia's future. The Council is committed to improving the quality of life and the effectiveness of state government in Virginia.

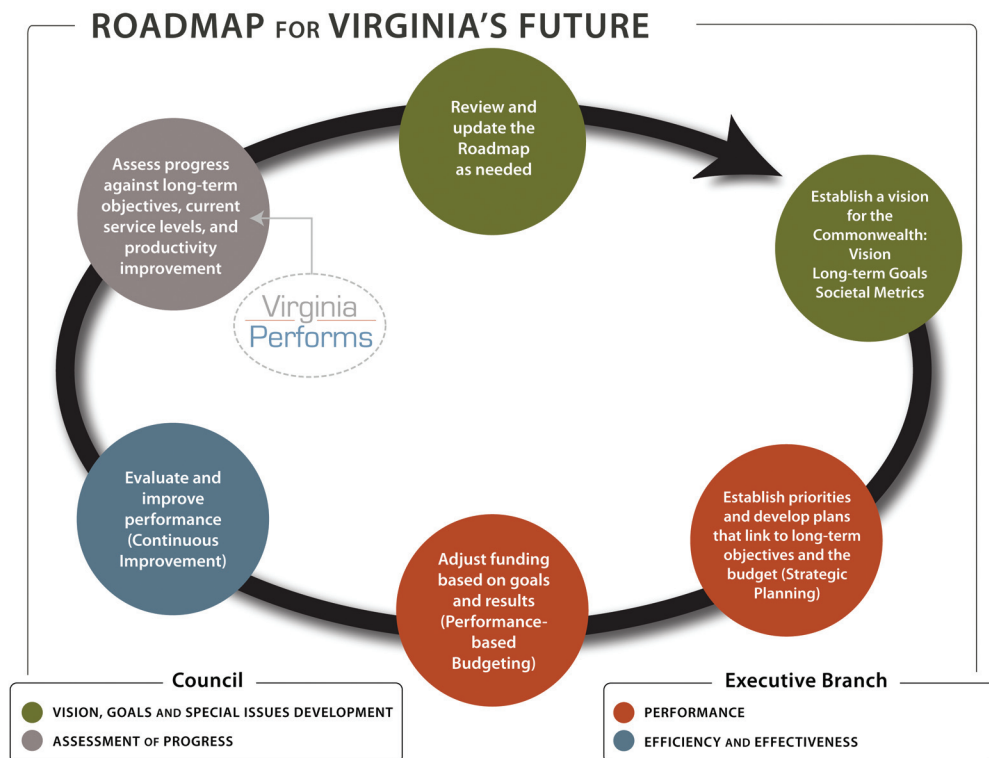
The Council works to create these improvements by:

- Providing a long-term focus on high-priority issues
- Creating an environment for improved policy and budget decision-making
- Improving government performance, accountability, and transparency
- Engaging citizens in dialogue about Virginia's future.

This update for 2009-2010 provides a brief introduction to the Council's scope of work and gives an overview of recent accomplishments and plans. More information is available on the Council's website at future.virginia.gov.

The Council began its work in 2003 by designing the **Roadmap for Virginia's Future** (Figure 1), a model for improving performance leadership and accountability in state government.

Figure 1



The Council then began working with its partners to set long-term goals for the Commonwealth and to develop a performance leadership and accountability system that would help ensure that state government is both efficient and effective in improving outcomes and the quality of life for Virginians.

This system establishes a vision-driven, disciplined approach for encouraging collaboration, facilitating change, setting policies, making decisions, and ensuring accountability for producing positive results for citizens. It starts with a shared vision for Virginia – one of responsible economic growth, an enviable quality of life, good government, and a well-educated citizenry prepared to lead successful lives and to be engaged in shaping the future of the Commonwealth. Together with the high-level goals established by Council, this vision serves as a compass to guide state government decisions and actions.

The Council's statutory authority (§ 2.2-2683 et seq. of the *Code of Virginia*) outlines the three core components of the performance leadership and accountability system:

Assessment:	Effective measurement and analysis of outcomes and productivity
Performance:	Outcome-driven, performance-based planning and budgeting processes
Productivity Improvement:	Innovative methods for improving efficiency and effectiveness

A fourth component involves ongoing evaluation of Roadmap goals and examination of high-priority issues that merit special attention.

■ Scope of Work ■

These interrelated elements – assessment, performance, productivity improvement, and issues development – comprise the core of the Council's scope of work.

Assessment

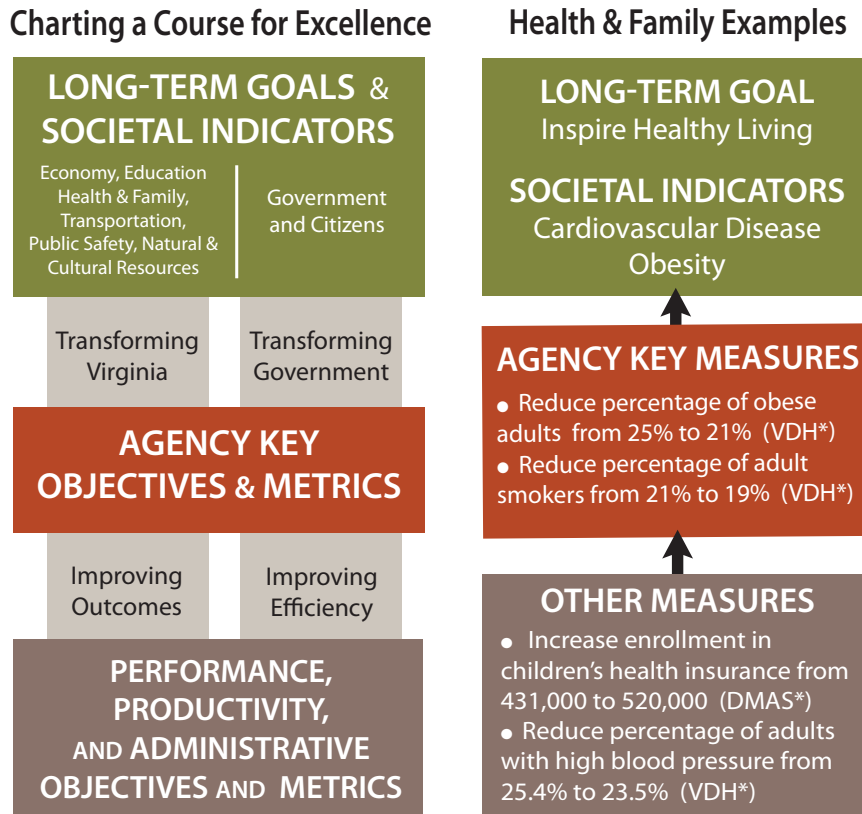
The performance leadership and accountability system – more broadly known as **Virginia Performs** – aligns agency-level outcomes with statewide goals. The system:

- Serves as a catalyst for better strategic thinking and policy, enterprise solutions, performance-driven decision-making, and improved outcomes
- Supports strategic state, regional, and local planning
- Informs and engages citizens about Virginia's progress and its future.

Figure 2 presents a high-level model of the “architecture” of Virginia Performs. At the highest level, quality-of-life measures known as societal indicators provide a snapshot of how Virginia is doing with respect to broad issues (e.g., water quality, educational attainment). At the middle level, agency key objectives and measures help us understand whether we are achieving high-priority performance targets and improving the factors that influence the targets. At the foundation or agency detail level, service area measures are used to provide budget transparency and monitor whether state government programs and services are producing desired results.

2 This structure also supports innovation and improvement projects by providing data for analysis and assessment. Combined, the goals and performance measures ensure that results accountability exists throughout all levels of state government.

Figure 2: Performance Leadership and Accountability System



* The acronym VDH stands for the Virginia Department of Health;
DMAS stands for the Department of Medical Assistance Services.

The Virginia Performs website (VaPerforms.virginia.gov) is an easy-to-use portal that provides a window into the state's evolving performance and accountability system. It gives citizens an opportunity to see the real world results of efforts to make Virginia's government more effective and efficient.

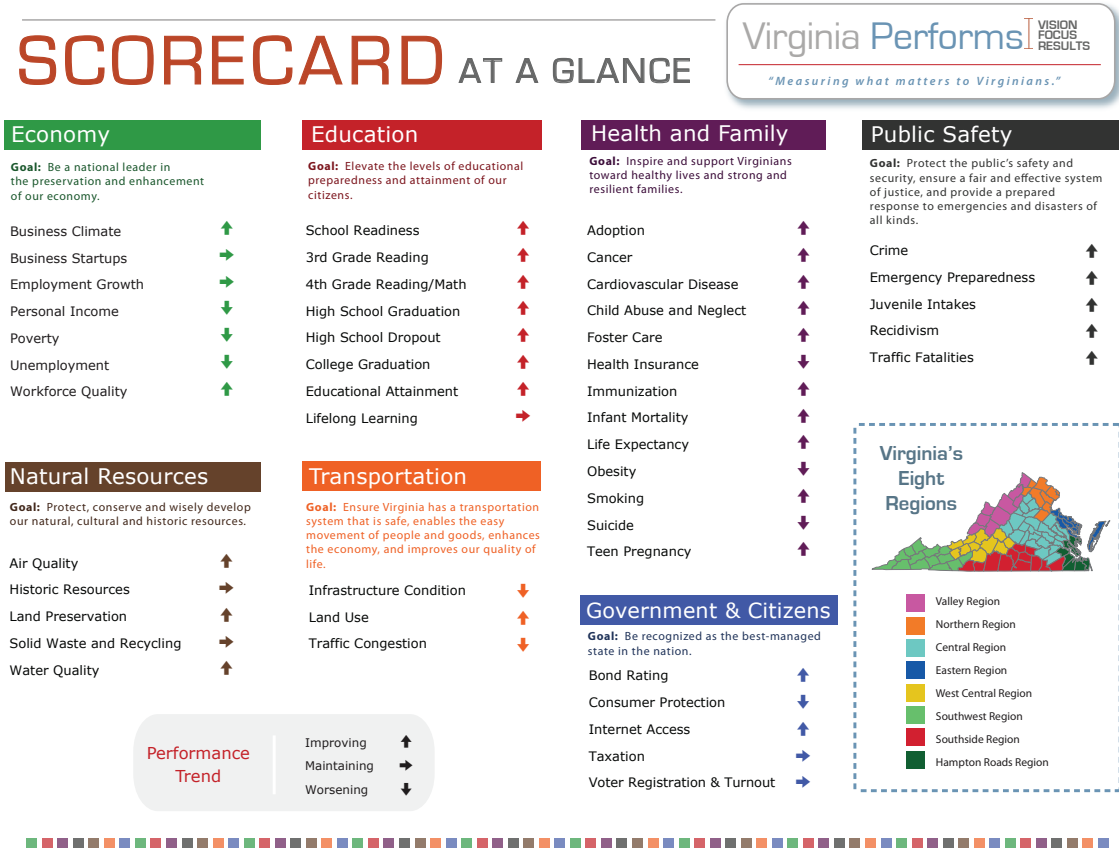
Citizens can:

- See how the Commonwealth is performing from region to region and compared to other states
- Track performance in their communities
- Monitor activity on important issues such as health care, educational attainment, workforce quality, and voter turnout
- See how state government is working for them.

Quality-of-life indicators (e.g., personal income, high school graduation, air quality) are linked to Council long-term goals and are used to measure and assess Virginia's overall quality of life and progress towards

improvement. For each Council long-term goal, indicators answer the question, “How is Virginia doing?” Included on the Virginia Performs website are a description of each indicator, a summary of its importance, Virginia’s progress, major influences, and the state’s role. The 46 societal indicators shown in the **Scorecard at a Glance** (Figure 3 below), are measured over time, and, where possible, by region and in comparison to other states. Data for societal indicators is updated throughout the year as new information becomes available.

Figure 3



New Views

The Council worked closely with the Hampton Roads Partnership to develop **Hampton Roads Performs**, a website modeled on Virginia Performs. Hampton Roads Performs includes many of the same indicators, as well as others like modeling & simulation and port traffic, which are unique to the region. The Hampton Roads Performs website was launched in early 2009 and is located at hamptonroadperforms.org.

In 2010, the Council plans to collaborate with The State of the USA to help make multi-level information available on key national indicators.

Figure 4: The Virginia Performs Home Page

The screenshot shows the Virginia Performs website interface. At the top, a navigation bar includes links for Home, About Virginia Performs, News and Resources, and Contact Us. Below this, a banner reads "Measuring what matters to Virginians" and "Virginia Performs" with a "VISION FOCUS RESULTS" logo. A horizontal menu lists various categories: Economy, Education, Health & Family, Public Safety, Natural Resources, Transportation, and Government & Citizens. A search bar is also present.

The main content area features a large image of boats with the text "Explore how Virginia is doing in crucial areas that affect the quality of life." and "Virginia is working hard to preserve land and protect natural resources." Below this, a section titled "Measuring Virginia" explains the website's purpose and provides links to explore by secretariat (Administration, Agriculture & Forestry, Commerce & Trade, Education, Finance, Health & Human Resources, Natural Resources, Public Safety, Technology, Transportation) and state agencies.

Callout boxes highlight specific features:

- Top Right:** "Examine Virginia's demographics and performance trends. Or create local and regional maps showing data on dozens of measures." (Points to the "Map It" link in the navigation bar).
- Scorecard Section:** "Instantly see how Virginia measures up in key areas." (Points to the "SCORECARD AT A GLANCE" section).
- Message from the Governor:** "View state agencies' strategic plans, objectives and measures for their programs and services." (Points to the "A message from The Governor of Virginia" section).
- Hampton Roads Performs:** A highlighted section for local performance data.

New Features in Agency Performance

The Virginia Performs website was redesigned in early 2009, in part to better incorporate improved agency planning and performance components at every level. Goal summary and indicator pages now link to specific agency measures and programs, while agency detail pages provide budget summaries, as well as ready access to all the measures – key, budget service area, administrative and productivity measures – each agency is monitoring. For more details, visit [VaPerforms.virginia.gov/agencylevel/](http://vaPerforms.virginia.gov/agencylevel/).

Figure 4 shows a snapshot of the Virginia Performs home page. The text box insets highlight the many data, research, reporting, and mapping capabilities of the site.

Performance

The focus of Virginia’s performance component has been on the development of a new planning and budgeting system. The old system presented numerous challenges, including variations in how planning was accomplished across agencies, differences in planning language, and the segregation of planning from budgeting processes. The Department of Planning and Budget (DPB) created a new service area structure that now serves as the “taxonomy” for budgeting, accounting, and planning. These and other changes have produced a significant shift in how planning and budgeting occur at the agency level.

- All agency strategic plans follow a consistent format that includes information on the agency’s mission, customer base, products and services, statutory authority, and strategic goals. Each agency plan also includes an executive progress report.
- Service area plans provide a key link to the state budget. They outline the agency budget, objectives, measures, and performance targets for each service area.
- Agency key objectives sharpen assessment of progress on improving effectiveness, customer service, and critical outcomes.
- DPB has increased its training and technical assistance efforts to enhance the system and improve its usefulness in planning and budgeting processes.

With the addition of productivity and administrative measures, the strategic planning and performance-based budgeting elements of a comprehensive performance leadership and accountability system are now in place:

System Component	Purpose
Long-Term Goals	Desired outcomes (e.g., healthy lives, public safety) guide planning and decision-making.
Agency Strategic Plan	Plans describe where an agency is going and how it will get there – mission, goals, strategies, performance metrics, and targets.
Key Outcome-based Performance Metrics	Performance measures provide a basis for measuring the impact of core services.
Service Area Metrics	Performance measures provide a basis for measuring budget service area results.
Productivity & Administrative Measures	Productivity and administrative measures provide a basis for evaluating agency operations and improvement initiatives.
Performance Targets	Targets set expectations for agency performance measures.

See Agency Planning and Performance at VaPerforms.virginia.gov/agencylevel/ for more information.

DPB is leading the effort to implement a new computer-based, fully integrated performance budgeting system for state government. The first set of modules will be operational by August 2010. Business functions to be performed via the new modules will include performance budgeting, strategic planning, operating budget development, six-year financial planning, capital budget development, agency spending plans, and advanced reporting and analysis.

Productivity Improvement

Measuring and improving productivity in state government are important goals for the Council. Since its inception, the Council has been an active supporter of significant productivity improvement initiatives in state government. For instance, at the urging of the Council, the General Assembly appropriated \$4.25 million in the 2006-2008 biennium budget to accelerate productivity improvement in state government. Three million dollars was used to launch the Productivity Investment Fund (PIF) in early 2007 (www.pif.virginia.gov).

The PIF helps foster innovative solutions for simpler, more effective state government. The PIF is needed and has been successful because:

- Some agencies lack the necessary capital to fund all of the attractive productivity investments available to them on their own.
- Some opportunities involving multiple agencies and/or levels of government need third party guidance and support.
- Some solutions require the use of innovative tools and technologies outside of the agency's skill set.

Interest in and success of the fund continue to grow: To date, \$2.7 million has been allocated to support 31 projects in 17 agencies. A fourth round of PIF project awards will be announced in early 2010.

The following are some examples of current projects supported by the PIF:

Agency or Institution	Project	Objective
UVa Health Systems	Telemedicine for Prenatal Healthcare	To enhance access to prenatal health-care in underserved areas
Department of Taxation	Process Improvements	To decrease operating costs and improve customer service via IT
Mecklenburg Co. Public Schools	Google Apps Documentation	To document Mecklenburg's adoption of free Google apps as replacement for school office administration software
Department of Business Assistance	Business One Stop	To simplify the business startup process via a streamlined Web application

Special Issues Development: Educational Attainment

One of the Council's core roles is to maintain a focus on long-term issues vital to Virginia's future: a vibrant economy; a well-managed state; and a well-educated, informed and engaged citizenry.

A recent statewide survey underscored the fact that business leaders across Virginia believe education to be one of the most important foundations of Virginia's past and future prosperity. And although Virginia's education system and the educational attainment of its working-age adults are the envy of many, the picture for the future is somewhat uncertain.

For example, a recent analysis conducted by the National Center for Higher Education Management Systems (NCHEMS) indicates that Virginia's public institutions of higher education will need to produce an additional 70,000 degrees or more over the next 10 years to meet the current international attainment benchmark for its adult population aged 25 to 64 years old.

This "degrees gap" is particularly worrisome because, in addition to wide regional disparities, educational attainment levels in Virginia have actually dropped from earlier periods: Our current 25- to 34-year-old cohort is not as well educated as the previous two (35-44 and 45-54 age groups). Changing demographic patterns will put additional pressure on attainment rates.

To address these issues, the Council launched a major initiative to explore ways to increase higher education attainment levels across the state. Work to date has concentrated on documenting issues related to higher education attainment and the development of a Virginia-specific model by NCHEMS that will facilitate analysis of various strategies to improve the Commonwealth's performance along its education "pipeline."

The Council also hosted meetings with internal and external thought leaders on key educational attainment issues – aligning higher education outputs with workforce needs, and examining the funding mechanisms of higher education. Additional information on educational attainment is provided in three *Issue Insights* published by the Council, which are available on both the Virginia Performs and Council websites.

■ 2010 Enhancements ■

The continued evolution of Virginia Performs has helped ensure greater accountability and transparency in government and has aided Virginia's leaders in improving critical outcomes. Government officials now use data to track results and to make targeted adjustments to improve those results. By aggregating performance data and its presentation, the Virginia Performs website has standardized and streamlined the performance reporting process.

Major new developments in the performance budgeting system are expected to further improve the infrastructure supporting budgeting and decision-making, while Productivity Improvement Fund projects will see significant returns on investments.

Among the Council's key priorities for 2010 are:

- Integrate the priorities of the new administration into the Council's ongoing work.
- Continue to host forums on important issues.
- Develop new indicators in Energy, Civic Engagement, and Government Operations.
- Employ new and existing tools – such as enterprise scorecards and dashboards and Results Teams that work across agencies – to improve outcomes.
- Enhance the focus on productivity and continuous improvement in government operations.

Detailed highlights of planned 2010 enhancements are presented on the inside back cover of this booklet, along with a recap of 2009 accomplishments.

2009 Recap

Roadmap and Special Issues Development

- Published special report on educational attainment in Virginia.
- Convened meetings on educational attainment and developed reports on workforce alignment and finances and productivity.
- Received Innovation in Government award from the Wilder School and a Data Management award from the National Association of Chief Information Officers.
- Published the 2009 Virginia Report.
- Provided ongoing outreach to other states, countries, and regional and national organizations.

Assessment

- Launched new and improved iteration of the Virginia Performs website.
- Continued to update Virginia Performs, including societal indicators and the development of new productivity and administrative measures.
- Launched Hampton Roads Performs to support strategic planning processes.
- Provided legislators with customized community snapshots.
- Collaborated with the APA to launch Open.Virginia.gov to improve transparency and accountability.

Performance

- Improved performance data used for budget decision-making.
- Developed prototype Executive Progress Reports to provide a concise, integrated executive-level view of strategic challenges and opportunities at state agencies.
- Collaborated with DPB on the implementation of a new, better-integrated performance budgeting system.

Productivity Improvement

- Continued implementation of the Productivity Investment Fund (PIF), which to date has created 31 cost-saving projects in 17 agencies, with projected savings of over \$8.3 million.

2010 Plans

Roadmap and Special Issues Development

- Integrate the new administration's priorities into ongoing work.
- Chart a long-term strategy for improving educational attainment.
- Continue to host forums on important issues, including the evolution of Virginia Performs.
- Collaborate with The State of the USA to make information available on key national indicators.

Assessment

- Continue to enhance Virginia Performs.
- Develop new indicators in Energy, Civic Engagement, and Government Operations.
- Increase the capacity for performance assessment.
- Facilitate additional regional, local, or population-specific views modeled on Virginia Performs.

Performance

- Continue to strengthen performance and productivity via the Governor's Performance Leadership Team and his designated champion.
- Employ new and existing tools – enterprise dashboards, Results Teams, etc. – to improve outcomes.
- Integrate new Executive Progress Reports into agency planning.
- Continue training and technical assistance on Virginia Performs for agencies and new administration officials.
- Implement key components of the integrated performance budgeting system.

Productivity Improvement

- Continue support for high-impact reengineering projects.
- Formalize a gain-sharing approach with agencies.
- Broaden the membership of the PIF oversight group to include members of the Council, the Governor's Cabinet, and the legislature.
- Continue to examine approaches for implementing continuous improvement.

VISION FOCUS RESULTS VISION FOCUS RESULTS VISION FOCUS RESULTS VISION FOCUS RESULTS VISION FOCUS RESULTS



COUNCIL ON VIRGINIA'S FUTURE

1001 E. Broad Street, Suite 430
Richmond, Virginia 23219

future.virginia.gov
804.371.2346
CoVF@virginia.edu

Jane N. Kusiak, Executive Director

© February 2010